U.S. Department of Homeland Security

United States Coast Guard

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16113
June 5, 2006

Ms. Monica DeAngelis
Protected Resources, Southwest Region
National Marine Fisheries Service
501 Ocean Blvd
Long Beach, CA 90802-4213

Dear Ms. DeAngelis:

In accordance with Section 7(a)(2) of the Endangered Species Act, as amended, the U.S. Coast Guard (USCG) seeks to finalize informal consultation with the National Marine Fisheries Service (NMFS) Southwest Regional office regarding the construction of the pipeline and operation of the proposed Cabrillo Port Deepwater Port. The proposed port would be located approximately 14 miles off Ventura County, at the inshore side of the Southern California Bight (see enclosure 1). BHP Billiton (the applicant) has proposed a floating, storage, and regasification unit (FSRU) for transforming liquefied natural gas (LNG) back to its gaseous state. The regasification process would be a controlled heating process consisting of a closed system with combustion vaporizers; seawater would not be used to regasify the LNG. The proposed route for the two parallel off-shore pipelines would connect the FSRU to the shore at Ormond Beach, Ventura County (see enclosure 2). The USCG has reached specific conclusions regarding impacts that might result from the construction and operation of the proposed project on each protected resource under NMFS' jurisdiction. The USCG seeks your concurrence for same.

The USCG and the California State Lands Commission have jointly developed a Draft Environmental Impact Statement/Draft Environmental Impact Report (DEIS/DEIR) on this proposed project. The proposed project has three distinct phases: construction of the two parallel offshore pipelines, construction of the onshore pipeline, and the mooring and operation of the FSRU. The offshore pipelines will take approximately 35 days for construction. The mooring of the FSRU will take approximately 20 days. The FSRU is expected to operate for 40 years. For the purposes of this consultation, we will focus on the construction of the offshore pipelines and FSRU operations.

In order to fully understand the potential impacts of the offshore construction and operations of the proposed Cabrillo Port project, the Coast Guard submitted the DEIS/DEIR to the NMFS Southwest Regional office and NMFS headquarters for comment. Our primary concern was to determine whether the offshore pipelines construction and mooring and operation of the FSRU was likely to adversely affect species listed under the authority of the Endangered Species Act or whether takes of non-listed marine mammals were likely under the Marine Mammal Protection Act. Our conclusions on each relevant species is as follows.

- White Abalone (*Haliotis sorenseni*)-Endangered
  The white abalone usually occurs at depths from 66 to 200 feet (20 to 61m), although some have been found in water as shallow as 15 feet (4.6m). The FSRU would be anchored in waters approximately 2,900 ft (884m) deep. The offshore pipelines would run parallel to the seafloor slope along a relatively broad ridge and two shallow troughs. Neither white abalone, nor any other species of abalone have been reported at or near the proposed FSRU location or the proposed pipeline routes. Considering the lack of suitable hard substrate to which abalone could attach and the algae upon which they feed, the possibility of the presence of white abalone is extremely remote. Therefore, the mooring and anchoring of the FSRU, the construction of the offshore pipelines, and the operations of the FSRU will have no effect on abalone.

- Steelhead (*Oncorhynchus mykiss*)-Endangered
  The Southern California steelhead evolutionarily significant units (ESU) include all naturally spawned populations of steelhead and their progeny in streams from the Santa Maria River to Malibu Creek. Based on the proposed location of the FSRU and the pipelines route, the Cabrillo Port project will not likely to adversely affect this species.

- Boccaccio (*Sebastes paucispinnis*)-Candidate
  Boccaccio are typically found on rocky bottoms or other structures that provide topographical relief. Based on the proposed location of the FSRU and pipelines route, the anchoring of the FSRU, the construction of the off-shore pipeline and the operations of the FSRU are likely not to adversely affect Boccaccio.

- Pacific rockfish (*Sebastes spp.*)-Candidate
  Based on the proposed location of the FSRU and pipelines route, the anchoring of the FSRU, the construction of the off-shore pipeline and the operations of the FSRU are likely to affect, but not adversely affect this species.

- Essential Fish Habitat (EFH)
  After consultation with experts from California Oceanic Cooperative Fisheries Investigations (CalCOFI), the sampling quadrant, sample locations and data sets were determined. No state or federal listed species were identified in the CalCOFI data; however there are several species located in the proposed project area that are managed by the Pacific Fishery Management Council. Based on a 100% mortality rate, these species make up approximately 0.000013 percent of the larval densities and 0.000010 percent of the egg densities. Therefore, based on the proposed location of the FSRU and pipelines route, the anchoring of the FSRU, the construction of the off-shore pipeline and the operations of the FSRU are likely to affect, but not adversely affect fish identified in essential fish habitat.

- Sei Whale (*Balaenoptera borealis*)-Endangered
  Sei whale observations have been rare in the Southern California Bight for more than 20 years. The possibility of sei whales appearing near the proposed project site is extremely remote. Therefore, based on the proposed location of the FSRU and pipelines route, the anchoring of the FSRU, the construction of the off-shore pipeline and the operations of the FSRU are not likely to adversely affect sei whales.

- Blue Whale (*B. musculus*)-Endangered
  Very few blue whales have been reported near the mainland coast of the Southern California Bight, and their presence is very unlikely near the proposed project. Therefore, based on the proposed location of the FSRU and pipelines route, the anchoring of the FSRU, the construction of the off-shore pipeline and the operations of the FSRU are not likely to adversely affect blue whales.

- Humpback Whale (*Megaptera novaeangliae*)-Endangered
  These whales range closer to the mainland coast and have been reported around many oil platforms in the Santa Barbara Channel. However, they have not been reported near the mainland coast south of Point Dume, and the possibility of this species appearing at or near the proposed project site is very unlikely. Therefore, based on the proposed location of the FSRU and pipelines route, the anchoring of the FSRU, the construction of the off-shore pipeline and the operations of the FSRU are not likely to adversely affect humpback whales.

- Fin Whale (*B. physalus*)-Endangered
  These whales have occasionally been reported around Santa Barbara Island, and one fin whale was observed in late winter near the middle of the proposed pipelines route during the 1991-1992 NMFS aerial surveys. However, since fin whales are most frequently seen during the warmer-water months of summer and fall, this sighting is suspect. Although the presence of this species near the proposed project site is possible, it is unlikely. The possibility of fin whales appearing near the mainland coast is very remote. Therefore, based on the proposed location of the FSRU and pipelines route, the anchoring of the FSRU, the construction of the off-shore pipeline and the operations of the FSRU are not likely to adversely affect fin whales.

- North Pacific Right Whale (*Eubalaena japonica*)-Endangered
  Only 23 sightings have been reported from 1855 to 1982. Since that time, two sightings have been reported in the Santa Barbara Channel. The most recent southernmost sighting was made in 1998 off of Cabo San Lucas, Mexico. Considering the exceptional rarity of this species, the likelihood of it appearing at or near the proposed project site is extremely remote. Therefore, based on the proposed location of the FSRU and pipelines route, the anchoring of the FSRU, the construction of the off-shore pipeline and the operations of the FSRU are not likely to adversely affect the North Pacific Right Whale.

- Sperm Whale (*Physeter macrocephalus*)-Endangered
  Single sperm whales have been reported on three occasions in the Santa Barbara Channel. Considering this species' preference for deep offshore water, the possibility of it appearing at or near the proposed project site is extremely remote. Therefore, based on the proposed location of the FSRU and pipelines route, the anchoring of the FSRU, the construction of the off-shore pipeline and the operations of the FSRU are not likely to adversely affect sperm whales.

- Steller Sea Lion (*Eumetopias jubatus*)-Threatened
  Historically, Steller Sea Lions have been sighted at San Nicolas Island and once inhabited San Miguel Island, but disappeared after the 1982-83 El Nino event. Only 2 sightings, both of individual animals, have been made in the Southern California Bight since that time. The odds of this species appearing at or near the proposed project site are extremely remote. Therefore, based on the proposed location of the FSRU and pipelines route, the anchoring of the FSRU, the construction of the off-shore pipeline and the operations of the FSRU are not likely to adversely affect Steller Sea Lion.

- Guadalupe Fur Seal (*Arctocephalus townsendi*)
  Guadalupe fur seals were once prolific at the Channel Islands; however, only a few individuals have been reported there in the last century. Strandings are rare, with perhaps a dozen specimens reported in the Southern California Bight over the past three decades. Considering the rarity of this species in U.S. waters, the likelihood of it appearing at nor near the proposed Project site is extremely remote. Therefore, based on the proposed location of the FSRU and pipelines route, the anchoring of the FSRU, the construction of the off-shore pipeline and the operations of the FSRU are not likely to adversely affect Guadalupe fur seals.

- Southern Sea Otter (*Enhydra lutirs nereis*)
  From 1987 to 1990, an attempt to relocate Southern sea otters to San Nicholas Island and establish a new population was unsuccessful. The U.S. Fish and Wildlife Service recently proposed discontinuing this program and the "no-otter zone" established to support the program. Sea otters generally forage in water depths up to 65 ft (20m), and some have been reported in water up to 130 ft (40m) deep. However, kelp beds, a preferred foraging habitat, are not present at or near the proposed project site. Considering the narrow depth range of this species and its scarcity south of Point Conception, the likelihood of any Southern sea otters being seen even in the nearshore waters near the proposed Project site, is remote. Therefore, based on the proposed location of the FSRU and pipelines route, the anchoring of the FSRU, the construction of the off-shore pipeline and the operations of the FSRU are not likely to adversely affect sea otters.

To summarize, the results of the Coast Guard's environmental analysis of the location, construction and operation of the Cabrillo Port Deepwater Port would not have a significant impact on marine mammals, listed species, or essential fish habitat. The relevant criterion that leads to that conclusion are:

1. Species protected under the Marine Mammal Protection Act of 1972 and/or the Endangered Species Act or 1973 are extremely unlikely to be in the area of the proposed project.
2. The construction of the parallel pipelines and mooring of the FSRU will be limited in geographic scope and of short duration.
3. No seawater will be used in the regasification process.

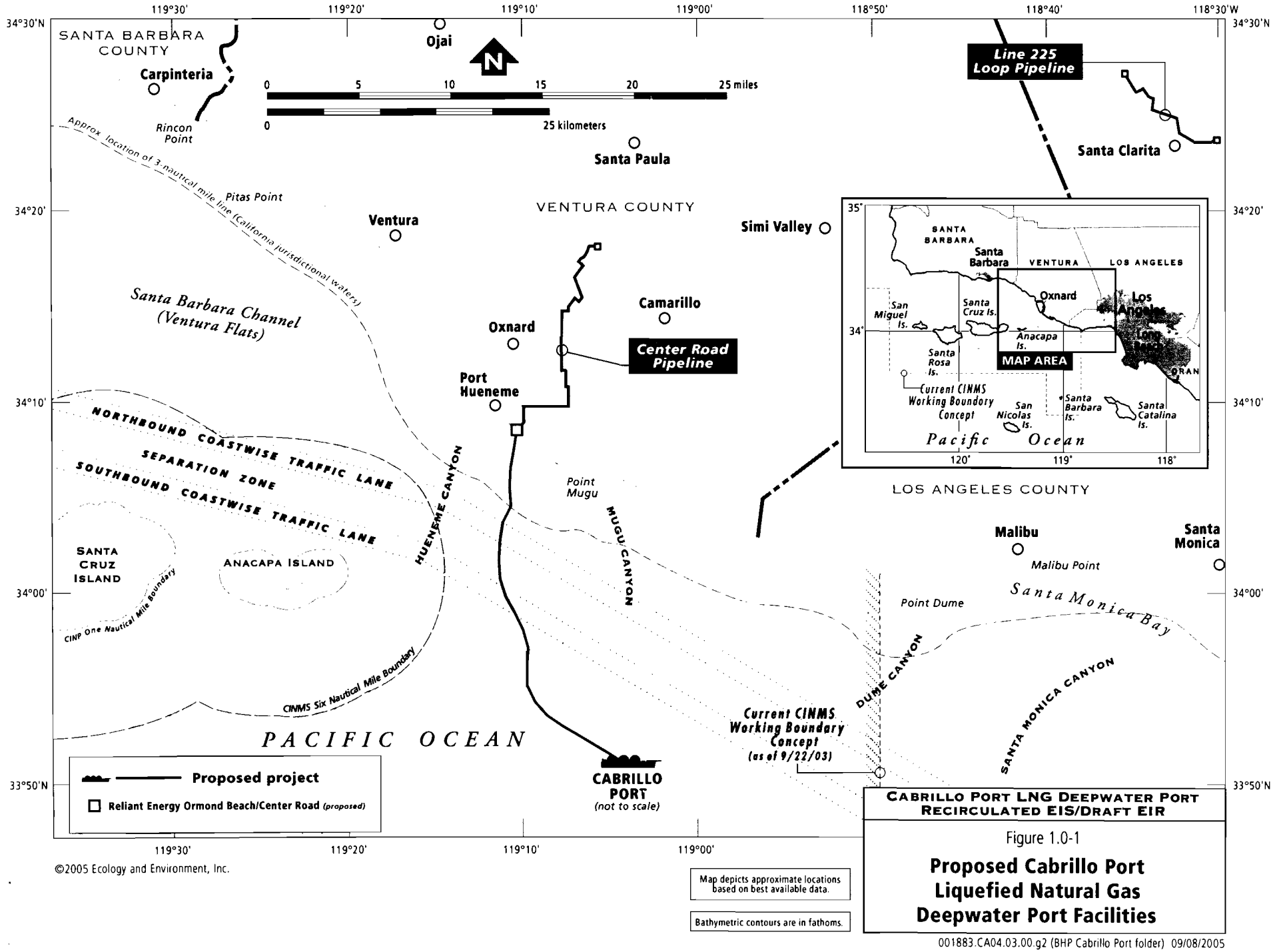
If you have any questions, please contact me or Ms. Joan Lang at (202) 372-1452.

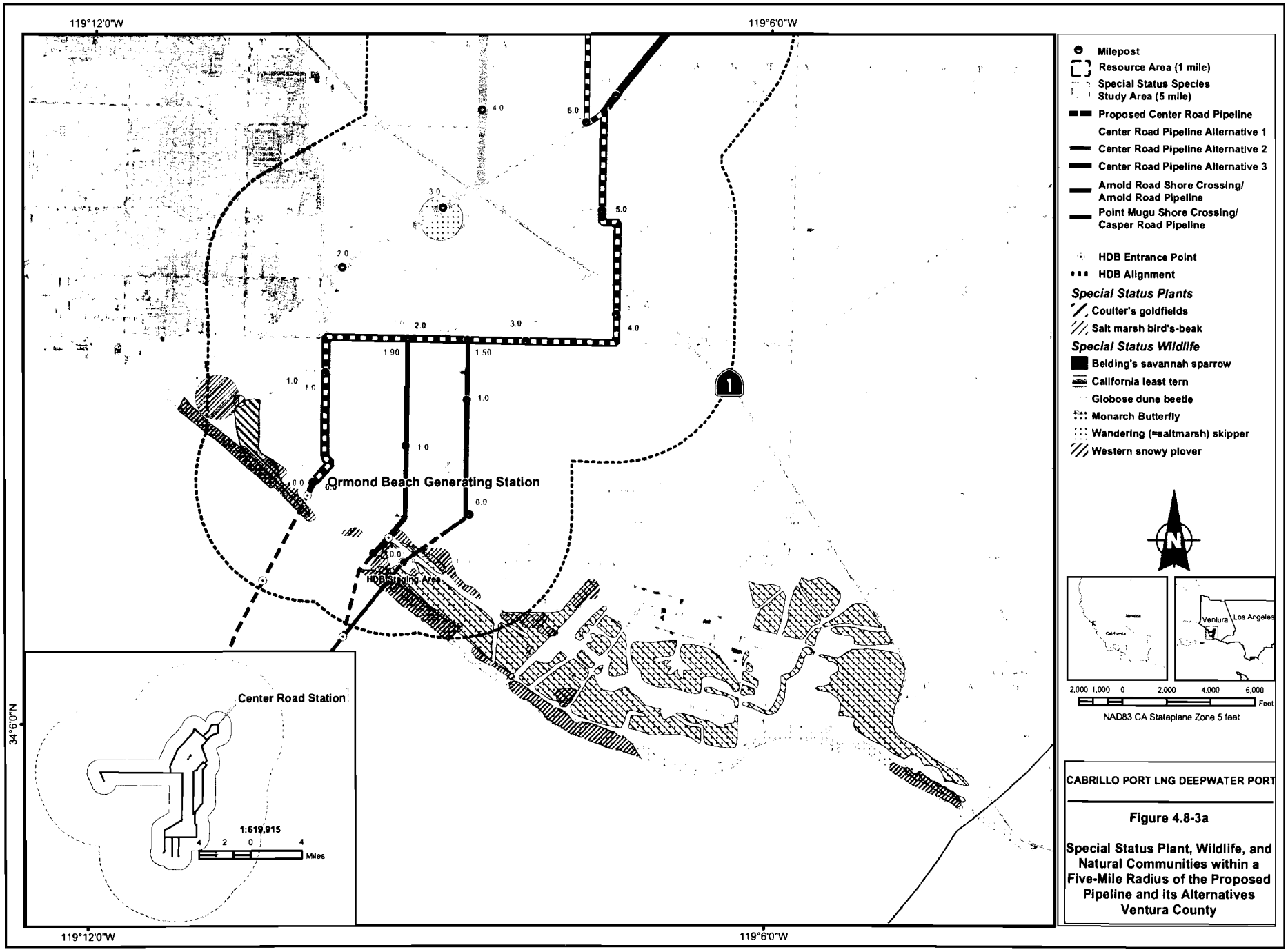
Sincerely,

M. A. PRESCOTT
Chief, Deepwater Ports Standards Division
U. S. Coast Guard
By direction

Enclosures:
1. Map of FSRU location & offshore pipeline.
2. Map of on-shore pipeline crossings

Copy:
K. Lesnick, MARAD
A. Zimpfer, EPA 9
D. Noda, FWS, Ventura Field Office
A. Szjii, ACOE, Ventura Field Office


Source: Ecology and Environment, Inc.
119°30'
119°20'
119°10'
119°00'
118°50'
118°40'
118°30'W
34°30'N
34°20'
34°10'
34°00'
33°50'N
SANTA BARBARA COUNTY
Ojai
Carpinteria
Rincon Point
0 5 10 15 20 25 miles
0 25 kilometers
Santa Paula
Approx. location of 3-nautical mile line (California jurisdictional waters)
Pitas Point
VENTURA COUNTY
Ventura
Simi Valley
Line 225 Loop Pipeline
Santa Clarita
Santa Barbara Channel (Ventura Flats)
Camarillo
Oxnard
Center Road Pipeline
Port Hueneme
NORTHBOUND COASTWISE TRAFFIC LANE
SEPARATION ZONE
SOUTHBOUND COASTWISE TRAFFIC LANE
HUENEME CANYON
Point Mugu
MUGU CANYON
SANTA CRUZ ISLAND
ANACAPA ISLAND
CINP One Nautical Mile Boundary
CINMS Six Nautical Mile Boundary
PACIFIC OCEAN
LOS ANGELES COUNTY
Malibu
Santa Monica
Malibu Point
Point Dume
Santa Monica Bay
DUME CANYON
SANTA MONICA CANYON
Current CINMS Working Boundary Concept (as of 9/22/03)
CABRILLO PORT (not to scale)
Proposed project
Reliant Energy Ormond Beach/Center Road (proposed)
35°
34°
120°
119°
118°
SANTA BARBARA
VENTURA
LOS ANGELES
Santa Barbara
Oxnard
Los Angeles
San Miguel Is.
Santa Cruz Is.
Anacapa Is.
Santa Rosa Is.
MAP AREA
ORAN
Current CINMS Working Boundary Concept
San Nicolas Is.
Santa Barbara Is.
Santa Catalina Is.
Pacific Ocean
©2005 Ecology and Environment, Inc.
Map depicts approximate locations based on best available data.
Bathymetric contours are in fathoms.
CABRILLO PORT LNG DEEPWATER PORT
RECIRCULATED EIS/DRAFT EIR
Figure 1.0-1
Proposed Cabrillo Port Liquefied Natural Gas Deepwater Port Facilities
001883.CA04.03.00.g2 (BHP Cabrillo Port folder) 09/08/2005



Source: Entrix 2004/5